

ACHIEVING A BETTER LIFE EXPERIENCE ACT (ABLE ACT) ACCOUNTS ARE AVAILABLE IN ILLINOIS

“ABLE” Accounts are a creation of federal law designed for individuals with disabilities to allow them to have a tax-free savings account which does not affect eligibility for public benefit programs such as SSI and Medicaid. The Illinois ABLE Account program is administered by the Illinois Treasurer’s office.

An ABLE account may be owned by a person with disabilities who became disabled before reaching the age of 26. Funds held in ABLE accounts grow tax free and may be used for “qualified disability expenses”. Each person may have only one account in the nation. The maximum annual contribution to an ABLE Account is \$15,000 (2018) from all sources, and contributions must be in the form of money. A designated representative who may be a guardian, agent under power of attorney for property, or a properly witnessed written designation, may act on behalf of the owner.

“Qualified disability expenses” means any expenses related to the eligible individual’s disability which are made for the benefit of the eligible individual who is the account owner, including the following expenses: education; housing; transportation; employment training and support; assistive technology and personal support services; health; financial management and administrative services; legal fees; expenses for oversight and monitoring; and funeral and burial expenses.

ABLE accounts, income and qualified distributions do not affect the owner’s eligibility for SSI and Medicaid. However, to maintain eligibility for SSI, the account value cannot exceed \$100,000. To maintain eligibility for Illinois Medicaid, the account value cannot exceed \$350,000. If there are funds remaining in the ABLE Account at the owner’s death, states that provided medical assistance, including services under Medicaid home-based programs, are paid back from the remaining funds in the ABLE Account.

Although there are drawbacks, ABLE accounts can be very useful. An ABLE account is useful where a relative has left an inheritance of less than \$15,000 (2018) directly to an individual with disabilities who is receiving Medicaid or SSI. ABLE accounts could also be used to avoid the 1/3 reduction in SSI for family contributions to the individual’s food and shelter expenses. If the family contributes the funds for food and shelter to an ABLE Account, its use will not cause the 1/3rd reduction to SSI as it would if such funds came directly from the family or a special needs trust.

Before considering an ABLE account you should consult with an experienced special needs planning attorney. The National Elder Law Foundation (www.nelf.org) and the National Academy of Elder Law Attorneys (www.naela.org) are able to provide referrals. For information specifically on the State of Illinois Able Account program, go to www.Illinoisable.com.

When you have questions related to elder or special needs law, think of the attorneys at Dutton Casey & Mesoloras. With over 115 years of combined experience, Janna Dutton, Kathryn Casey, Helen Mesoloras, Michaela Franco, Amy Gjesdahl, and Melissa LaPointe are here to assist you, and those you care about. In addition, Janna Dutton and Kathryn Casey are two of only a few certified elder law attorneys in Illinois.

Resources:

National Elder Law Foundation - www.nelf.org

National Academy of Elder Law Attorneys - www.naela.org

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Appointments are also available in Arlington Heights,
Skokie, and Westchester, Illinois, or via video conferencing
or telephone.

